

EXHIBIT G



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

DEC - 7 1998

Ref: 8P-AR

Dana K. Mount, P.E.
Director, Division of Environmental Engineering
North Dakota Department of Health
P.O. Box 5520
Bismark, ND 58506-5520



Dear Mr. Mount:

This is in response to your letter dated October 7, 1998, in which you requested EPA Region VIII's interpretation of the applicability of the 1992 WEPCO rule to electric utilities that upgrade and/or replace turbines. In your letter, you referenced an article in a recent edition of Inside EPA Weekly Report (Vol. 19, No. 37, September 18, 1998), as well as an August 28, 1998, letter from EPA Region VII to Sunflower Electric Power Corporation regarding the implications of the WEPCO rule on New Source Review (NSR) applicability for specific modifications made at the source. Since NSR applicability is always case specific, an applicability determination with respect to turbine modifications in general would be inappropriate. Hence, Region VIII is providing a general discussion of only the pertinent aspects of the WEPCO rule and will work with the Department as necessary to address NSR applicability to specific modifications at electric utilities on a case-by-case basis.

The purpose of the WEPCO final rulemaking, promulgated on July 21, 1992 (57 FR 32314), was to ensure harmony between Title I and Title IV of the Clean Air Act with respect to Title IV pollution control projects at electric utility plants. In addition, the rule addresses the use of a current actual to future representative actual methodology for determining an emissions increase at the steam generating unit resulting from non-routine physical and/or operational changes occurring at steam electric utility plants.

Changes at a steam electric utility plant must be analyzed to determine if they trigger a major modification as defined under federal regulations at 40 CFR 51.166(b)(2). We understand that the state of North Dakota has similar requirements under the North Dakota Air Pollution Control Regulations at NDAC 33-15-15-01.1. Absent exclusion from the definition of modification specified at 40 CFR 51.166(b)(2)(iii) and NDAC 33-15-15-01.1.x, a net increase in emissions could subject the steam generating unit to new source review. The WEPCO rule indicates that such net emissions increase may be determined based on current actual to future representative actual emissions.



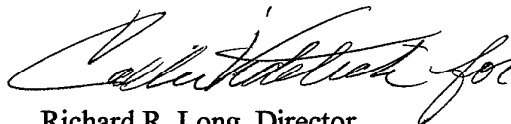
Printed on Recycled Paper

NDHealth00000062

AM-00896289-NDH

It is critical to realize that each source's situation needs to be looked at case-by-case, and we will be happy to work with you on fact specific cases to determine how the rule applies. If you have any further questions or concerns regarding this matter, please contact Kathleen Paser at 303-312-6526.

Sincerely,



Richard R. Long, Director
Air and Radiation Program

RRL/KSP

cc: Tom Bachman, ND Department of Health
Gary D. Helbling, ND Department of Health
David Solomon, OAQPS
Carol Holmes, OECA
Jon Devine, OGC
Anna Wood, OPAR
Dan Rodriguez, EPA Region 7, ARTD/APC
Scott Whitmore, EPA Region 8, 8ENF-T



Printed on Recycled Paper

NDHealth00000063

AM-00896290-NDH